

United States Courts
Southern District of Texas
FILED

NOV 16 2020

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

David J. Bradley, Clerk of Court

In re:	§	Chapter 11
	§	
BUZZARDS BENCH, LLC and	§	Case No. 20-32391-djr11
BUZZARDS BENCH HOLDINGS, LLC,	§	
	§	(Jointly Administered)
Debtors.	§	

JACAM CATALYST, EIS ENVIORNMENTAL & RYDER SCOTT
OBJECTION TO DEBTORS' JOINT PLAN OF REORGANIZATION

TO THE HONORABLE DAVID R. JONES, UNITED STATES BANKRUPTCY JUDGE:

COME NOW JCAM Catalyst, EIS Environmental, & Ryder Scott, (collectively the "Unsecured Creditors") file this Unsecured Creditors Objection to *Debtors' Joint Plan of Reorganization* [Docket No. 192] ("Plan") filed by the Debtors, Buzzards Bench, LLC ("Buzzards Bench") and Buzzards Bench Holdings, LLC ("Holdings").

1. Unsecured Creditors Claim

The Unsecured Creditors object to the Debtor's Joint Plan of Reorganization. The value of the Debtor's assets are substantially more than the amount that the sole senior creditor alleges. Unsecured Creditors contend that the assets have a value greater than the amount of the claim of the Secured Creditor. The excess value will inure to the benefit of the estate and the unsecured creditors.

2. Secured Creditor Claim

The secured creditors are 405 Redfish LLC and Cargill Incorporated. The aggregate amount of the claim is approximately \$14 million. The secured creditors hold as collateral to secure the indebtedness all of the assets of the Debtor. The Fair Market Value of the assets is amount in excess of \$20 million. The secured creditors are adequately secured.

3. Claro Auction of Assets

Debtor attempted to auction the assets in a private auction. The auction did not receive much interest given the current depression in the oil and gas industry. The auction did not represent a fair evaluation of the value of the assets because only 10 to 15 E&P transaction are currently being closed per quarter compared to 400 per quarter before the Pandemic.

4. Assets Are Being Maintained And Natural Gas Prices Have Risen Elevating The Assets Value

The Company's assets are being well managed and maintained by the current management who have operated the properties for the past 18 months. Additionally, natural gas prices have risen increasing the company's revenue and EDITDA. Management has recent completed reserve reports which show that the company's proven developed producing reserves are worth \$30 million (at a \$2.47 / mcf NYMEX natural gas price, current NYMEX approximate \$3.00 / mcf). The value of the company's proved undeveloped reserves is approximately \$200 million. Additionally, the company has approximately \$70 million in tangible assets (gas plant, pipeline system, compressor stations, salt water disposal systems and inventory).

5. Debtor Request More Time to Payoff all Creditors, Not Just Senior Creditors

The Company is working on several financial solutions which will allow it to pay all creditors 100%, including XTO and all of the unsecured creditors. However, the plan will require up to 6 months. The Secured Creditors will retain their security interest during the time that the Debtor is engaged in raising the capital.

WHEREFORE, Unsecured Creditors pray that the Proposed Plan be amended solely to allow for the continuation of the present operating regime for six additional months in order to realize the full value of the company and to pay all creditors the full amount of their claims.

DATED: November 13, 2020

Respectfully Submitted,

/s/ William V Walker

William V Walker

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-CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Objection has been served upon all parties receiving electronic notice via the Court's CM/ECF system on November 13, 2020.

/s/ William V Walker

William V Walker